

DD/S 63-0590

12 FEB 1963

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Personnel 18.1

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Possible Premium Increase for Government-Wide Health Insurance Programs

1. This memorandum is for your information.

2. An item in Joe Young's column in the Evening Star for 26 or 27 January reported that premium rates for retired employees covered by the health insurance plan underwritten by Aetna were being increased. He quoted Civil Service Commission officials as acknowledging the probability of a general increase in the two Government-wide plans next October.

3. An increase for the GEHA policy appears unnecessary. As you may recall, we increased the rate by \$1.50 in October 1961 to provide some margin over the \$1.00 increase dictated by experience at that time. Unless we get some extreme and unforeseen claims experience in the next several months, there will be no need for an increase when our claims/premium ratio is examined in June.

4. The present rates under our GEHA plan and the Aetna employee plan and the old and new rates for retired employees under the Aetna plan are as follows:

	HIGH				LOW			
	<u>GEHA</u>		<u>AETNA</u>		<u>GEHA</u>		<u>AETNA</u>	
			<u>Employees</u>	<u>Retirees</u>			<u>Employees</u>	<u>Retirees</u>
Single Plan	\$ 5.64	\$ 6.76		From - \$ 9.50 To - 11.00	\$3.21	\$ 5.64		From - \$3.50 To - 4.00
Family Plan	15.47	17.46		From - 19.00 To - 22.00	8.80	13.52		From - 7.00 To - 8.00
Female - non- dependent husband	15.47	17.46		----	8.80	13.52		----

5. Agency employees who attended the annual GEHA meeting in January were advised that a premium increase was unlikely. In view of the Joe Young column, we have checked with the underwriter currently and he confirms this opinion.



Emmett D. Echols
Director of Personnel

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